

SECOND REGULAR SESSION

# SENATE BILL NO. 865

93RD GENERAL ASSEMBLY

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INTRODUCED BY SENATORS CAUTHORN AND BARNITZ.

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Read 1st time January 12, 2006, and ordered printed.

TERRY L. SPIELER, Secretary.

4330S.011

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## AN ACT

To repeal sections 137.115 and 137.118, RSMo, and to enact in lieu thereof two new sections relating to the personal property tax exemption for livestock.

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*Be it enacted by the General Assembly of the State of Missouri, as follows:*

Section A. Sections 137.115 and 137.118, RSMo, are repealed and two new  
2 sections enacted in lieu thereof, to be known as sections 137.115 and 137.118, to  
3 read as follows:

137.115. 1. All other laws to the contrary notwithstanding, the assessor  
2 or the assessor's deputies in all counties of this state including the city of St.  
3 Louis shall annually make a list of all real and tangible personal property taxable  
4 in the assessor's city, county, town or district. Except as otherwise provided in  
5 subsection 3 of this section and section 137.078, the assessor shall annually  
6 assess all personal property at thirty-three and one-third percent of its true value  
7 in money as of January first of each calendar year. The assessor shall annually  
8 assess all real property, including any new construction and improvements to real  
9 property, and possessory interests in real property at the percent of its true value  
10 in money set in subsection 5 of this section. The assessor shall annually assess  
11 all real property in the following manner: new assessed values shall be  
12 determined as of January first of each odd-numbered year and shall be entered  
13 in the assessor's books; those same assessed values shall apply in the following  
14 even-numbered year, except for new construction and property improvements  
15 which shall be valued as though they had been completed as of January first of  
16 the preceding odd-numbered year. The assessor may call at the office, place of  
17 doing business, or residence of each person required by this chapter to list  
18 property, and require the person to make a correct statement of all taxable

**EXPLANATION—Matter enclosed in bold-faced brackets [thus] in this bill is not enacted and is intended to be omitted in the law.**

19 tangible personal property owned by the person or under his or her care, charge  
20 or management, taxable in the county. On or before January first of each  
21 even-numbered year, the assessor shall prepare and submit a two-year  
22 assessment maintenance plan to the county governing body and the state tax  
23 commission for their respective approval or modification. The county governing  
24 body shall approve and forward such plan or its alternative to the plan to the  
25 state tax commission by February first. If the county governing body fails to  
26 forward the plan or its alternative to the plan to the state tax commission by  
27 February first, the assessor's plan shall be considered approved by the county  
28 governing body. If the state tax commission fails to approve a plan and if the  
29 state tax commission and the assessor and the governing body of the county  
30 involved are unable to resolve the differences, in order to receive state cost-share  
31 funds outlined in section 137.750, the county or the assessor shall petition the  
32 administrative hearing commission, by May first, to decide all matters in dispute  
33 regarding the assessment maintenance plan. Upon agreement of the parties, the  
34 matter may be stayed while the parties proceed with mediation or arbitration  
35 upon terms agreed to by the parties. The final decision of the administrative  
36 hearing commission shall be subject to judicial review in the circuit court of the  
37 county involved. In the event a valuation of subclass (1) real property within any  
38 county with a charter form of government, or within a city not within a county,  
39 is made by a computer, computer-assisted method or a computer program, the  
40 burden of proof, supported by clear, convincing and cogent evidence to sustain  
41 such valuation, shall be on the assessor at any hearing or appeal. In any such  
42 county, unless the assessor proves otherwise, there shall be a presumption that  
43 the assessment was made by a computer, computer-assisted method or a  
44 computer program. Such evidence shall include, but shall not be limited to, the  
45 following:

46 (1) The findings of the assessor based on an appraisal of the property by  
47 generally accepted appraisal techniques; and

48 (2) The purchase prices from sales of at least three comparable properties  
49 and the address or location thereof. As used in this paragraph, the word  
50 "comparable" means that:

51 (a) Such sale was closed at a date relevant to the property valuation; and

52 (b) Such properties are not more than one mile from the site of the  
53 disputed property, except where no similar properties exist within one mile of the  
54 disputed property, the nearest comparable property shall be used. Such property

55 shall be within five hundred square feet in size of the disputed property, and  
56 resemble the disputed property in age, floor plan, number of rooms, and other  
57 relevant characteristics.

58         2. Assessors in each county of this state and the city of St. Louis may send  
59 personal property assessment forms through the mail.

60         3. The following items of personal property shall each constitute separate  
61 subclasses of tangible personal property and shall be assessed and valued for the  
62 purposes of taxation at the following percents of their true value in money:

63             (1) Grain and other agricultural crops in an unmanufactured condition,  
64 one-half of one percent;

65             (2) [Livestock, twelve percent;

66             (3)] Farm machinery, twelve percent;

67             [(4)] (3) Motor vehicles which are eligible for registration as and are  
68 registered as historic motor vehicles pursuant to section 301.131, RSMo, and  
69 aircraft which are at least twenty-five years old and which are used solely for  
70 noncommercial purposes and are operated less than fifty hours per year or  
71 aircraft that are home built from a kit, five percent;

72             [(5)] (4) Poultry, twelve percent; and

73             [(6)] (5) Tools and equipment used for pollution control and tools and  
74 equipment used in retooling for the purpose of introducing new product lines or  
75 used for making improvements to existing products by any company which is  
76 located in a state enterprise zone and which is identified by any standard  
77 industrial classification number cited in subdivision (6) of section 135.200, RSMo,  
78 twenty-five percent.

79         4. **Livestock shall be exempt from the tax imposed under this**  
80 **chapter.**

81         5. The person listing the property shall enter a true and correct statement  
82 of the property, in a printed blank prepared for that purpose. The statement,  
83 after being filled out, shall be signed and either affirmed or sworn to as provided  
84 in section 137.155. The list shall then be delivered to the assessor.

85             [5.] 6. All subclasses of real property, as such subclasses are established  
86 in section 4(b) of article X of the Missouri Constitution and defined in section  
87 137.016, shall be assessed at the following percentages of true value:

88             (1) For real property in subclass (1), nineteen percent;

89             (2) For real property in subclass (2), twelve percent; and

90             (3) For real property in subclass (3), thirty-two percent.

91           **[6.] 7.** Manufactured homes, as defined in section 700.010, RSMo, which  
92 are actually used as dwelling units shall be assessed at the same percentage of  
93 true value as residential real property for the purpose of taxation. The  
94 percentage of assessment of true value for such manufactured homes shall be the  
95 same as for residential real property. If the county collector cannot identify or  
96 find the manufactured home when attempting to attach the manufactured home  
97 for payment of taxes owed by the manufactured home owner, the county collector  
98 may request the county commission to have the manufactured home removed from  
99 the tax books, and such request shall be granted within thirty days after the  
100 request is made; however, the removal from the tax books does not remove the tax  
101 lien on the manufactured home if it is later identified or found. A manufactured  
102 home located in a manufactured home rental park, rental community or on real  
103 estate not owned by the manufactured home owner shall be considered personal  
104 property. A manufactured home located on real estate owned by the  
105 manufactured home owner may be considered real property.

106           **[7.] 8.** Each manufactured home assessed shall be considered a parcel for  
107 the purpose of reimbursement pursuant to section 137.750, unless the  
108 manufactured home has been converted to real property in compliance with  
109 section 700.111, RSMo, and assessed as a realty improvement to the existing real  
110 estate parcel.

111           **[8.] 9.** Any amount of tax due and owing based on the assessment of a  
112 manufactured home shall be included on the personal property tax statement of  
113 the manufactured home owner unless the manufactured home has been converted  
114 to real property in compliance with section 700.111, RSMo, in which case the  
115 amount of tax due and owing on the assessment of the manufactured home as a  
116 realty improvement to the existing real estate parcel shall be included on the real  
117 property tax statement of the real estate owner.

118           **[9.] 10.** The assessor of each county and each city not within a county  
119 shall use the trade-in value published in the October issue of the National  
120 Automobile Dealers' Association Official Used Car Guide, or its successor  
121 publication, as the recommended guide of information for determining the true  
122 value of motor vehicles described in such publication. In the absence of a listing  
123 for a particular motor vehicle in such publication, the assessor shall use such  
124 information or publications which in the assessor's judgment will fairly estimate  
125 the true value in money of the motor vehicle.

126           **[10.] 11.** Before the assessor may increase the assessed valuation of any

127 parcel of subclass (1) real property by more than fifteen percent since the last  
128 assessment, excluding increases due to new construction or improvements, the  
129 assessor shall conduct a physical inspection of such property.

130       **[11.] 12.** If a physical inspection is required, pursuant to subsection 10  
131 of this section, the assessor shall notify the property owner of that fact in writing  
132 and shall provide the owner clear written notice of the owner's rights relating to  
133 the physical inspection. If a physical inspection is required, the property owner  
134 may request that an interior inspection be performed during the physical  
135 inspection. The owner shall have no less than thirty days to notify the assessor  
136 of a request for an interior physical inspection.

137       **[12.] 13.** A physical inspection, as required by subsection 10 of this  
138 section, shall include, but not be limited to, an on-site personal observation and  
139 review of all exterior portions of the land and any buildings and improvements  
140 to which the inspector has or may reasonably and lawfully gain external access,  
141 and shall include an observation and review of the interior of any buildings or  
142 improvements on the property upon the timely request of the owner pursuant to  
143 subsection 11 of this section. Mere observation of the property via a "drive-by  
144 inspection" or the like shall not be considered sufficient to constitute a physical  
145 inspection as required by this section.

146       **[13.] 14.** The provisions of subsections 11 and 12 of this section shall only  
147 apply in any county with a charter form of government with more than one  
148 million inhabitants.

149       **[14.] 15.** A county or city collector may accept credit cards as proper form  
150 of payment of outstanding property tax or license due. No county or city collector  
151 may charge surcharge for payment by credit card which exceeds the fee or  
152 surcharge charged by the credit card bank, processor, or issuer for its service. A  
153 county or city collector may accept payment by electronic transfers of funds in  
154 payment of any tax or license and charge the person making such payment a fee  
155 equal to the fee charged the county by the bank, processor, or issuer of such  
156 electronic payment.

157       **[15.] 16.** The provisions of this section and sections 137.073, 138.060 and  
158 138.100, RSMo, as enacted by house bill no. 1150 of the ninety-first general  
159 assembly, second regular session, shall become effective January 1, 2003, for any  
160 taxing jurisdiction within a county with a charter form of government with  
161 greater than one million inhabitants, and the provisions of this section and  
162 sections 137.073, 138.060 and 138.100, RSMo, as enacted by house bill no. 1150

163 of the ninety-first general assembly, second regular session, shall become effective  
164 October 1, 2004, for all taxing jurisdictions in this state. Any county or city not  
165 within a county in this state may, by an affirmative vote of the governing body  
166 of such county, opt out of the provisions of this section and sections 137.073,  
167 138.060, and 138.100, RSMo, as enacted by house bill no. 1150 of the ninety-first  
168 general assembly, second regular session and section 137.073 as modified by this  
169 act, for the next year of the general reassessment, prior to January first of any  
170 year. No county or city not within a county shall exercise this opt-out provision  
171 after implementing the provisions of this section and sections 137.073, 138.060,  
172 and 138.100, RSMo, as enacted by house bill no. 1150 of the ninety-first general  
173 assembly, second regular session and section 137.073 as modified by this act, in  
174 a year of general reassessment. For the purposes of applying the provisions of  
175 this subsection, a political subdivision contained within two or more counties  
176 where at least one of such counties has opted out and at least one of such  
177 counties has not opted out shall calculate a single tax rate as in effect prior to the  
178 enactment of house bill no. 1150 of the ninety-first general assembly, second  
179 regular session. A governing body of a city not within a county or a county that  
180 has opted out under the provisions of this subsection may choose to implement  
181 the provisions of this section and sections 137.073, 138.060, and 138.100, RSMo,  
182 as enacted by house bill no. 1150 of the ninety-first general assembly, second  
183 regular session, and section 137.073 as modified by this act, for the next year of  
184 general reassessment, by an affirmative vote of the governing body prior to  
185 December thirty-first of any year.

137.118. Notwithstanding any other provision of law to the contrary, to  
2 replace any lost revenues due to the change in the percentages of the true value  
3 in money used in determining the assessed valuation of [livestock and] farm  
4 machinery, any taxing authority may adjust its 1989 tax rate ceiling without  
5 voter approval to the extent necessary to generate the same property tax revenue  
6 as was produced in the previous year from property taxes on [livestock and] farm  
7 machinery subject to taxation by such taxing authority.

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